Republic to double the bilateral trade within the next couple of years;

(b) what is the trade turnover between the two countries in 1987; and

(c) what are the important items of imports and exports?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSHI): (a) to (c) There is no specific agreement to double the bilateral trade within the next couple of years. However, both the Governments have agreed to intensify the efforts to enlarge and diversify the structure of bilateral trade and also to encourage new forms of economic cooperation like joint ventures, cooperation in services sector, etc., with a view to increasing substantially the levels of bilateral trade.

The main items of import from the GDR into India have been: Muriate of Potash, steel and steel products, organic and inorganic chemicals, chemical products like cinematographic films, newsprint and machinery items like mining machinery, textile machinery, machine tools, printing machinery, diesel generating sets etc. The main items of exports from India to the GDR have been: Finished leather, shoe-uppers, de-oiled cakes and other extractions, cottonseed extractions, spices, tobacco, iron ore mica and mica products, cotton textiles including grey cloths, ready-made garments and knitwear, jute products, machinery items including machine tools and hand tools, etc.

The DGCI&S trade figures are made available on financial year basis only. The following tabular statement gives the trade flows between India and the GDR during the last two financial years:—

(In Rs. crores)

	1986-87(P)	1987-88(P)
Imports from the GDR into India .	89·65	94.59
Exports from India to the GDR . .	84·01	106·23
Trade turnover .	173·66	200.82

(P) Provisional figures Source: DGCI&S, Calcutta

Restructuring of bank lending rate

2423. SHRI K. V. THANGKABALU: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has given directions for restructuring the bank lending rate;

(b) whether the policy of the Reserve Bank of India would affect credit policies being followed by the nationalised/scheduled banks in the country;

(c) whether Government are contemplating in terms of giving retrospective effect from 1985 onwards; and

(d) if so, whether it envisages all banking loans from Rs. 20,000 to Rs. 2 lakhs?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (d) Reserve Bank of India has recently restructured the bank lending rates with a view to providing some relief to borrowers with good credit record, and at the same time, to provide flexibility to scheduled commercial banks in the matter of determining lending rates. Effective from October 10, 1988 all

lending rate which were hitherto prescribed at 16.5 percent (fixed) cease to have a ceiling stipulation, the lending rates for such categories of borrowers will, however, be subject to a minimum of 16.0 percent. Reserve Bank of India has also restructured interest rates on bank loans for housing purposes. It is not contemplated to give effect to this measure retrospective to 1985. Short term loans to small scale industries upto Rs. 2 lakhs were not subject to this rate of 16.5 percent and as such the measure announced is not applicable to such borrowers.

Demand of the Uttar Pradesh National Saving Agents Association

2424. SHRI SAMAR MUKHERJEE: Will the Minister of FINANCE be pleased to state:

(a) whether Government have received a memorandum dated 25th June, 1988 addressed to the Prime Minister by the Uttar Pradesh National Savings Agents Association, Kanpur;

(b) if so, what are their demands relating to commission in Post Office Monthly Income Scheme and Kisan Vikas Patra; and

(c) what action has been taken by Government on their demands?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) Yes, Sir.

(b) and (c) The associations demand for increasing the rate of agents' commission from 1 per cent to 2 per cent in respect of investments secured in Post Office Monthly Income Scheme and Kisan Vikas Patra was considered but not found acceptable.

2425. *Transferred to the 6th December, 1988).*

Appointment of Chairman of a Gramin Bank

2426. SHRI SAMAR MUKHERJEE: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that minimum scale IV officer of sponsoring bank will be the Chairman of a Gramin Bank;

(b) if so, what are the reasons for which the scale II Officer of Bank of Baroda is being allowed to continue as Chairman of Allahabad Kshetriya Gramin Bank even after expiry of his period and whether a new Chairman is going to join soon; and

(c) whether it is a fact that Chairman, Allahabad Kshetriya Gramin Bank did not regularise daily-wage part-time messenger on seniority basis as advised by NABARD, if so, what action has been taken by Government against him?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b) Pursuant to the decisions taken on the recommendations made by the Working Group on RRBs, sponsor banks have been advised to appoint Scale IV/V Officers as Chairmen in RRBs. The existing Chairmen however have not to be displaced till the expiry of their term. On the recommendations of Bank of Baroda, sponsor bank of Allahabad Kshetriya Gramin Bank, a scale IV Officer had been selected for appointment as Chairman of the Bank. However, the selected officer could not assume charge due to certain unavoidable reasons and another suitable officer is being selected.